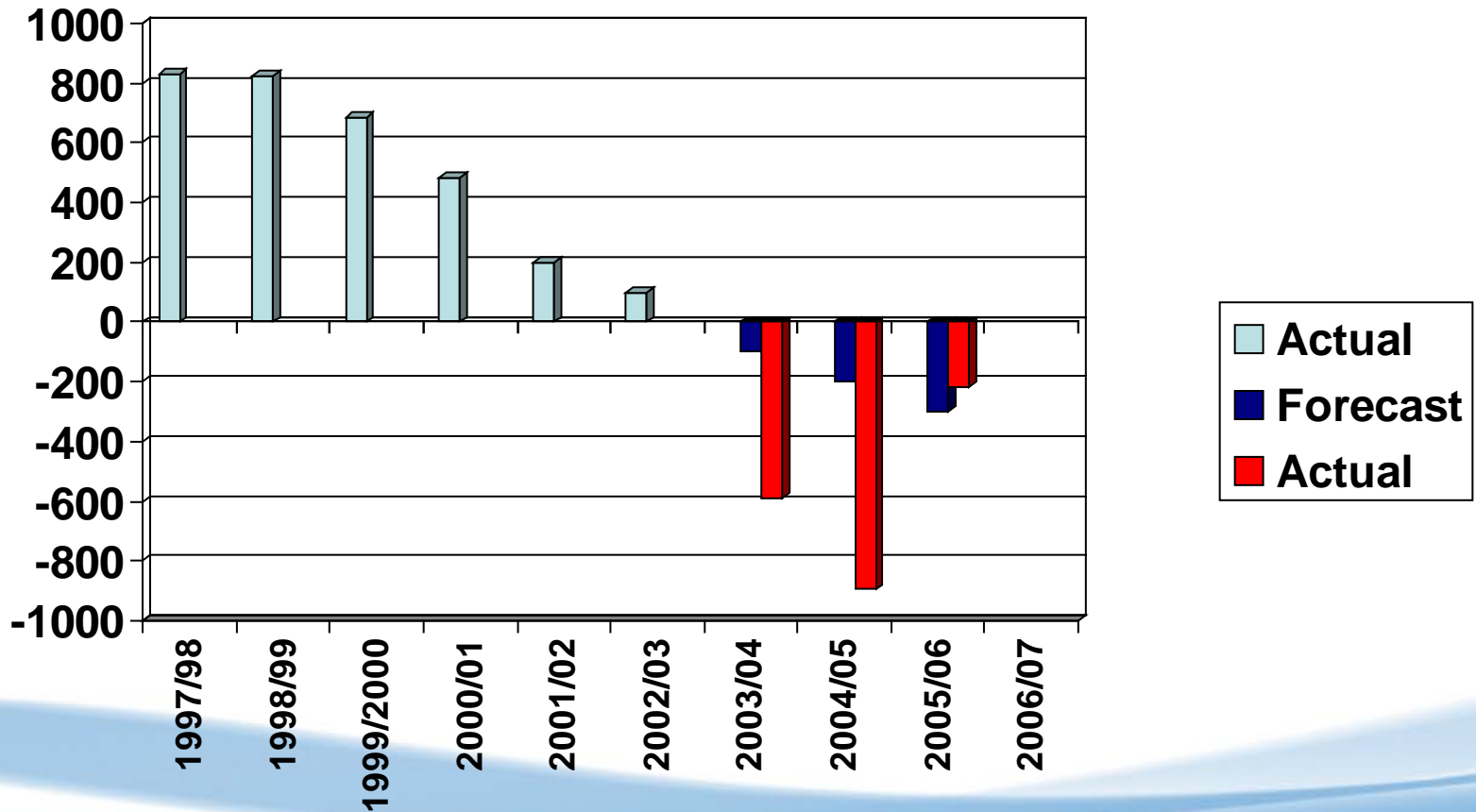




# History

- DSO successful under CCT
- Best value changed the game
- Scrutiny review 2002
- Make or buy ?

# DSO Surplus/deficit 1997-2005



# What Mattered to Stockport Members

Retain control – “make it”

**BUT -----**

- Viable
- Flexible
- Reputation & Risk
- Value for money

# Options considered

Status quo

Merge back with client departments

Wholly Owned Company (WOC)

Joint Venture (JV)

Tender work

Management Buy Out

Externalise

# Statutory Background

- Local Government Act 2003
- Regulations
  - Available to Best Value Authorities

# The perceived advantages of the WOC

- Maintain Democratic control
- Ensure Competitiveness
- Clarity of role
- Respond to legislative change
- Maintain the benefits of an in-house provider
- Improve services

– Transforming Stockport Direct Services into a Wholly Owned Company Business Case  
September 2006

# What was at stake

- School Meals
- Civic catering
- Highway Maintenance
- Street lighting & signs
- Property Maintenance
- Building cleaning
- Fleet Management
- Passenger transport
- Security & CCTV services
- Grounds Maintenance
- Street cleaning
- Skip hire
- **& Potentially**
- Refuse collection and Recycling
- Commercial waste

# Issues in setting it up

- Skill gap
- Cash flow
- Brand & name
- Governance
- Communication
- Blockers/critics/doubters.....
- Finance & legal advice – external
- Service level contracts – both ways

# Skills gap & culture change



**"You seem to have the qualifications we're looking for in an accountant"**



*"Wow... flexible, strong and intelligent!  
You're just the sort of person we need*



**“No, don’t put the cheque in the post - I’ll send someone round to pick it up.”**

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**87% OF THE 56% WHO COMPLETED MORE  
THAN 23% OF THE SURVEY THOUGHT IT  
WAS A WASTE OF TIME**

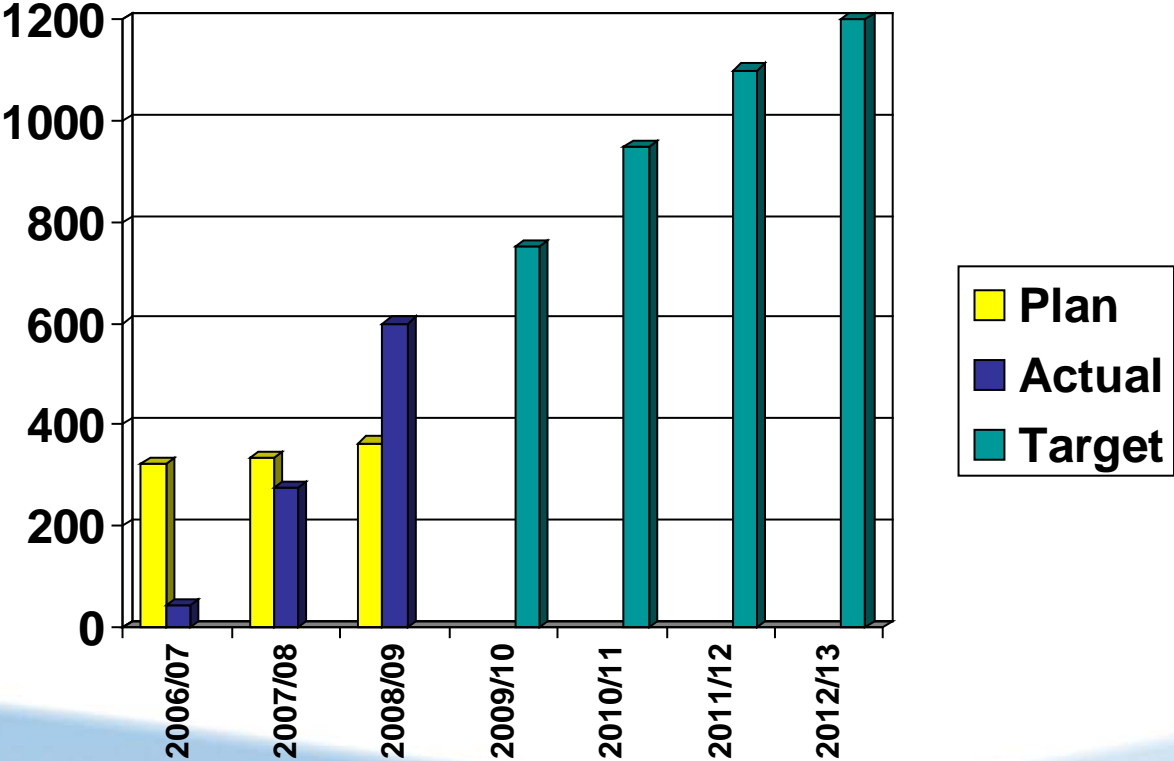
# Challenges

- Dividend
- Terms & conditions
- Individual Solutions SK Ltd
- Continue to develop the new culture
- Drive efficiencies
- Collaboration
- The pressure on public finances

# Profit Performance

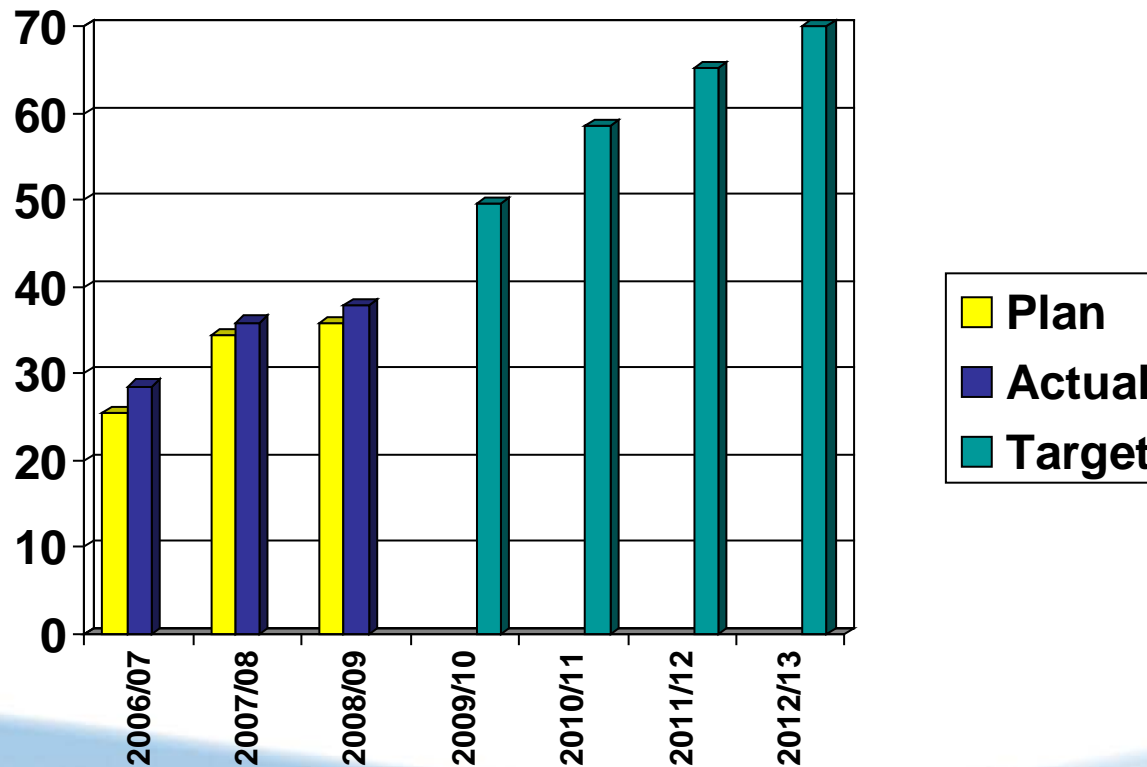
## Business Plan v. Actual v. Revised Target

£(000's)



# Turnover Performance Business Plan v. Actual v. Revised Target

£(m)



# Current Company “Family” 2009



# Vision

- Joint ventures
- Contracting
- Incremental growth
- Subsidiaries
- JV & WOC partnerships
- Consultancy
- Acquisitions

# Is the Wholly Owned Company an effective solution?

**A MAJOR OPPORTUNITY**